

OPEN MEETING ITEM



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COMMISSIONERS  
SUSAN BITTER SMITH - Chairman  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE



ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

DATE: AUGUST 3, 2015

DOCKET NOS.: W-01689A-11-0401 AND WS-01689A-11-0402

TO ALL PARTIES:

ORIGINAL

Enclosed please find the recommendation of Administrative Law Judge Belinda A. Martin. The recommendation has been filed in the form of an Order on:

CLEAR SPRINGS UTILITY COMPANY, INC.  
(ORDER EXTENDING TIME DEADLINE IN DECISION NO. 74037)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

AUGUST 12, 2015

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

AUGUST 18, 2015 and AUGUST 19, 2015

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

AUG 03 2015

DOCKETED BY	
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JODI JERICH  
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347  
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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 SUSAN BITTER SMITH – Chairman  
4 BOB STUMP  
5 BOB BURNS  
6 TOM FORESE  
7 DOUG LITTLE

8 IN THE MATTER OF THE APPLICATION OF  
9 CLEAR SPRINGS UTILITY COMPANY, INC.  
10 WATER DIVISION, FOR AUTHORITY TO  
11 INCUR LONG-TERM DEBT.

DOCKET NO. W-01689A-11-0401

12 IN THE MATTER OF THE APPLICATION OF  
13 CLEAR SPRINGS UTILITY COMPANY, INC.  
14 WATER AND WASTEWATER DIVISIONS, FOR  
15 PERMANENT RATE INCREASES.

DOCKET NO. WS-01689A-11-0402

**ORDER EXTENDING TIME**  
**DEADLINE CONTAINED IN**  
**DECISION NO. 74037**

16 Open Meeting  
17 August 18 and 19, 2015  
18 Phoenix, Arizona

19 **BY THE COMMISSION:**

20 Having considered the entire record herein and being fully advised in the premises, the  
21 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

22 **FINDINGS OF FACT**

23 1. On August 16, 2013, the Commission issued Decision No. 74037, approving rate  
24 increases for Clear Springs Utility Company, Inc.'s ("Clear Springs" or "Company") Water Division  
25 and Wastewater Division. The Decision also authorized Clear Springs to obtain a loan from the  
26 Arizona Water Infrastructure Finance Authority ("WIFA") in the amount of \$426,249 for  
27 improvements to Clear Springs' water system.

28 2. The Decision required that Clear Springs must complete the system improvements  
being funded by the WIFA loan by February 3, 2015, and file a completion affidavit within 10 days  
of finishing the projects. In addition, the Commission ordered that the debt authorization terminate  
on August 1, 2015.

3. On February 26, 2015, Clear Springs docketed a request to extend the completion  
deadline to February 3, 2016. The Company advised the Commission that Clear Springs' owner had

1 become ill and had relinquished control of the Company to Potable Products, Inc. In addition,  
2 Southwestern Utility Management, Inc., the entity that oversees Clear Springs' day-to-day  
3 management, has been focused on working with WIFA on completion of a project for another small,  
4 troubled southern Arizona water company. Accordingly, Clear Springs seeks additional time to  
5 complete its system improvements.

6 4. On July 28, 2015, the Commission's Utilities Division ("Staff") filed its Memorandum  
7 addressing the request. Staff stated that, given the circumstances, Staff did not object to the requested  
8 extension and recommended that the debt authorization be extended to December 31, 2015, and the  
9 improvement projects be completed by February 3, 2016.

10 5. Staff noted that the Company's request for extension was filed 23 days after the  
11 February 3, 2015, deadline. Staff recommended that Clear Springs be required to docket requests for  
12 extension of time at least 90 days prior to any existing due dates, and that no further extensions of  
13 time be granted in this matter.

14 6. We find that the Company's request for extension of time to complete the  
15 improvements and to file the completion affidavit is reasonable and shall be granted.

#### 16 CONCLUSIONS OF LAW

17 1. Clear Springs Utility Company, Inc. is a public service corporation within the meaning  
18 of Article XV of the Arizona Constitution.

19 2. The Commission has jurisdiction over Clear Springs Utility Company, Inc. and over  
20 the subject matter of the applications.

21 3. Clear Springs Utility Company, Inc.'s extension request is reasonable and should be  
22 granted.

#### 23 ORDER

24 IT IS THEREFORE ORDERED that termination of the debt authorization granted in  
25 Decision No. 74037 is extended to December 31, 2015.

26 IT IS FURTHER ORDERED that the improvements to Clear Springs Utility Company, Inc.'s  
27 PWS #02-048 and PWS #02-050 shall be completed no later than February 3, 2016.

28 ...

1 IT IS FURTHER ORDERED that within 10 days after the projects' completion, Clear Springs  
2 Utility Company, Inc. shall file with Docket Control an affidavit confirming that the improvements to  
3 PWS #02-048 and PWS #02-050 have been completed.

4 IT IS FURTHER ORDERED that Clear Springs Utility Company, Inc. shall docket any future  
5 requests for extension of time at least 90 days prior to any existing due dates.

6 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

7 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.  
8

9 CHAIRMAN

COMMISSIONER

10  
11 COMMISSIONER

COMMISSIONER

COMMISSIONER

12  
13 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
14 Director of the Arizona Corporation Commission, have  
15 hereunto set my hand and caused the official seal of the  
Commission to be affixed at the Capitol, in the City of Phoenix,  
this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

16  
17 JODI JERICH  
EXECUTIVE DIRECTOR

18 DISSENT \_\_\_\_\_

19 DISSENT \_\_\_\_\_

20 BAM:tv  
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1 SERVICE LIST FOR: CLEAR SPRINGS UTILITY COMPANY, INC.

2 DOCKET NOS.: W-01689A-11-0401 and WS-01689A-11-0402

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